

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

Mary Jo Hudson,
Ohio Superintendent of Insurance,
in her Capacity as Liquidator of
Personal Physician Care, Inc.,

Plaintiff,

v.

Personal Physician Care, Inc.,

Defendant.

Case No. 98CVH08-6251

Judge Stephen L. McIntosh

FILED
 COMMON PLEAS COURT
 FRANKLIN CO. OHIO
 2008 FEB 20 PM 1:55
 CLERK OF COURT

**ORDER APPROVING LIQUIDATOR'S FINAL REPORT OF CLAIMS, RESERVE
FOR ADMINISTRATIVE EXPENSES, AND AUTHORIZING
FINAL DISTRIBUTION OF ASSETS**

Upon motion of Plaintiff, Mary Jo Hudson, Ohio Superintendent of Insurance, in her capacity as Liquidator (the "Liquidator") of Personal Physician Care, Inc. ("PPC") for an order of this court pursuant to R.C. 3903.42, 3903.43, and 3903.44 and related sections approving the Liquidator's Final Report of Claims, approving and authorizing the Liquidator's reservation of certain funds for payment of administrative expenses, and authorizing a distribution of assets of the PPC liquidation estate to allowed claimants, this Court finds the motion to be well-taken, and, it is hereby ORDERED as follows:

(a) this Court approves the Liquidator's Final Report of Claims attached as Exhibit A, including the determinations of the amounts and the classes of each claim as set forth therein;

(b) this Court approves and authorizes the Liquidator's reservation of the amount of \$175,000.00, as detailed in Exhibit B attached hereto, for the payment of administrative expenses under Class 1 related to finally closing the PPC estate, that the Liquidator incurred, but has not yet paid, or anticipates will necessarily be incurred in this regard; and

(c) this Court authorizes the Liquidator to make a final distribution of the remaining assets of PPC (after subtracting the reserve for administrative expenses and adding projected investment income) in the total amount of \$7,961,102.69, as specifically reflected in Exhibit A attached hereto to those allowed claimants listed therein including: (1) a 100% distribution to Class 2 claimants on their allowed claims; (2) a 100% distribution to Class 4 claimants on their allowed claims; and (3) a 91.833% final pro rata distribution to Class 5 claimants on their allowed claims.

It is so ORDERED.

Judge McIntosh

MARC DANN
ATTORNEY GENERAL, STATE OF OHIO

By Outside Counsel:
KEGLER, BROWN, HILL & RITTER
A Legal Professional Association



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Attorneys for Mary Jo Hudson,
Ohio Superintendent of Insurance,
in her capacity as Liquidator of Personal Physician Care, Inc.

EXHIBIT A

Final Report of Claims, Final Distribution to Creditors of Personal Physician Care, Inc.

As of the date of the filing of the Liquidator's Motion for Order Approving Liquidator's Report of Claims, Reserve for Administrative Expenses, and Authorizing Final Distribution of Assets of Personal Physician Care, Inc. ("PPC"), there remains \$7,913,148.61 available for distribution, plus the Liquidator has estimated that there will be additional interest earned on account of \$47,954.08, so that there should be a total of \$7,961,102.69 available for distribution to creditors of the PPC estate pursuant to the priority of claims distribution classes set forth in Ohio Revised Code Section 3903.42, which funds are to be distributed as follows:

1) Class 1 Claims: The Liquidator has requested the reservation of the amount of \$175,000.00 for payment of additional anticipated Class 1 administrative expenses that are detailed on Exhibit B, after which there remains the sum of \$7,961,102.69 that should be available for distribution to the remaining classes of claims. (Any increase or decrease in the amount of estimated interest on account referenced above would accordingly increase or decrease the amount of the administrative expense reserve.)

2) Class 2 Claims: There are sufficient funds to pay 100% of the allowed amount of all Class 2 claims totaling \$80,363.34 (including those claims that are determined to be zero) as reflected in Exhibit A-2. These claims consist of nine hundred eleven (911) policyholder claims. After distribution on these Class 2 claims, there remains the sum of \$7,880,739.35 available for the distribution to the remaining classes of claims.

3) Class 3 Claims: There are no Class 3 claims as the federal government has filed no claims against the PPC estate. The Liquidator has included in her estimate for the reserve for administrative expenses amounts to pay PPC's employer's share of the Form 941 FICA (social security and Medicare), Form 940 FUTA (federal unemployment) tax liabilities, and Form JFS 66111 SUTA (state unemployment) tax liabilities, relating to the payment of the employee wage and salary claims identified in Classes 4 and 5 in Exhibits A-4a and A-5a, respectively. In addition, the Liquidator is withholding amounts from distributions to employee wage and salary claims of Classes 4 and 5 for income tax withholding and for the respective employees' share of FICA taxes, as reflected on the attached Exhibits A-4a and A-5a, respectively. Accordingly, as the employer's share of these federal employment taxes are reflected in the administrative reserve calculation, and the employees' share of employment taxes on wage and salary claims are reflected in the Class 4a and 5a reports, there remains the sum of \$7,880,739.35 available for the distribution to the remaining classes of claims.

4) Class 4 Claims: There are sufficient funds to pay 100% of the Class 4 employee priority (up to \$1,000.00) service claims, which as reflected in Exhibit A-4, attached hereto, total \$14,772.20 (including those claims that are determined to be zero). These claims consist of sixteen (16) employee wage and salary claims. Exhibit A-4a reflects the portion of said claims to be withheld and to be paid over to the Internal Revenue Service for federal income taxes and for the employees' share of FICA, as well as employees wage and salary withholding relative to state and local taxes, and the net distribution, after such withholdings, to be paid to such Class 4 claimants. After

distribution on these Class 4 claims, there remains the sum of \$7,865,967.15 available for the distribution to the remaining classes of claims.

5) Class 5 Claims: There are two thousand seven hundred thirty-one (2731) Class 5 general creditor claims that total \$8,565,458.92 (including those claims that are determined to be zero). Considering the \$7,865,967.15 available for distribution, there will be a 91.833% distribution towards the allowed Class 5 claims, which distribution amounts have been calculated and are as set forth on Exhibit A-5, attached hereto. The net check amount before employees withholding totals \$7,865,917.85, which is \$49.30 less than the above-referenced \$7,865,967.15 available for distribution due to a check writing system rounding difference. These Class 5 claims, include providers who filed claims against the PPC estate and some fifteen (15) employee wage and salary claims, and Exhibit A-5a reflects the portion of said wage and salary claims to be withheld and to be paid over to the Internal Revenue Service for federal income taxes and for the respective employees' share of FICA as well as employees withholding relative to state and local taxes, and the net distribution, after such withholdings, to be paid to such Class 5 employee claimants. After payment of the 91.833% pro rata distribution on the allowed amount of these Class 5 claims, there are no further funds to be distributed.

6) Class 6 Claims: There are seventy-five (75) Class 6 state and local government claims that total \$1,435,110.32 (including those claims that are determined to be zero), which are set forth on Exhibit A-6 attached hereto. There are no funds available after payment of Class 5 claims to make any distribution towards the allowed Class 6 claims.

7) Class 7 Claims: There are five hundred eighty-seven (587) Class 7 late claims that total \$8,462.16 (including those claims that are determined to be zero), which are set forth on Exhibit A-7 attached hereto. There are no funds available after payment of Class 5 claims to make any distribution towards the allowed Class 7 claims.

**Personal Physician Care, Inc. in
Liquidation (PPC)**

EXHIBIT B

CLASS 1 ADMINISTRATIVE EXPENSES

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**Personal Physician Care, Inc. in Liquidation
 DISTRIBUTION AND CLOSING ESTIMATES - ADMINISTRATIVE EXPENSES
 FROM 1/01/2008 THROUGH CLOSING**

	Estimated Amount
SALARIES (INCLUDING PAYROLL TAXES & 401K)	\$ 48,500
SALARIES OTHER & ODI BILLING	10,000
RENT ON LEASED PROPERTIES	10,000
TAX PREPARATION Form 1120	7,000
TAX PREPARATION - prompt assessment	5,000
AUDIT FEES	6,100
LEGAL FEES	13,000
CONSULTING FEES	700
STORAGE AND DESTRUCTION OF RECORDS	50,000
GENERAL OPERATING EXPENSES - OTHER	20,000
FEDERAL EMPLOYMENT TAXES (FICA & FUTA)	3,500
STATE EMPLOYMENT TAXES (SUTA)	1,200
TOTAL "HOLD BACK" ADMINISTRATIVE EXPENSES	\$ 175,000